



Sales Tax On Lodging Rentals

This publication deals with the sales and use tax considerations associated with the rental of private houses, condominiums, or apartments and the rental of sleeping rooms at bed and breakfast inns, tourist homes, rooming houses, or other types of lodging. However, it is not a substitute for tax laws or regulations. Please note that the information set forth in this TSD applies only to the West Virginia Consumers' Sales and Service Tax and Use Tax. It does not apply to county or municipal hotel occupancy taxes, which are administered locally.

Leasing and Renting Real Estate for Lodging

Persons who lease or rent out real estate or provide lodging to others are considered to be engaging in business in this State and are required to register with the State Tax Department and obtain a business registration certificate. Registration is accomplished by completing the "Application for Registration Certificate" (Form WV/BUS-APP). Anyone engaged in these activities, whether as an individual, partnership, corporation or other business entity, must register. Failure to register may subject the owner of the business to fines or criminal penalties.

Persons engaged in renting out rooms in hotels, motels, tourist homes and rooming houses on a daily basis shall collect the consumers' sales and service tax based on the daily charge. The amount subject to the sales tax does not include any local hotel or motel tax.

Motels, hotels and rooming houses that rent rooms or apartments as their permanent place of abode are not required to collect the consumers' sales and service tax on such rentals. The term "permanent place of abode," as used in this context, means occupancy of the premises by the lessee for more than thirty (30) consecutive days.

Rentals of real property such as houses, apartments, offices or other buildings on a month-to-month basis, or for a longer period of time, are not subject to sales tax. If a daily or weekly rental extends to more than 30 days, the entire rental period is not subject to sales tax. In such cases, if the renter or lessee has been charged the sales tax because the charges were paid on a day-to-day or week-to-week basis, he or she may apply to the State Tax Department for a refund.

The following businesses must collect sales tax from their customers when they provide lodging or sell tangible personal property, or furnish services or amusements:

Bed and Breakfast Inns	Condominium Rentals
Boarding Houses	Hostels
Cabin Rentals	Hotels
Camp Grounds	Inns
Lodges	Sleeping Rooms
Motels	both (public & private)
Private Clubs	State Parks
Resorts	Tourist Homes
	YMCA-YWCA

This list is not exhaustive. Any persons who provide lodging for a fee are required to collect the tax.

College dormitories or fraternity and sorority houses must charge the sales tax if they provide lodging to the general public, but no tax is due on charges for room and board to students enrolled at the college or university.

The total amount of tax collected must be remitted to the State Tax Department. Failure to collect the tax will result in the vendor's being liable for the amount of tax which he or she failed to collect.

Purchases by Persons Who Provide Lodging

Persons engaged in the business of renting rooms and collecting tax thereon must pay the consumers' sales and service tax and use tax on their purchases of tangible personal property and services for use in the conduct of their business. However, purchases of complimentary items such as shampoo, coffee and newspapers to be given to guests by hotels, motels, tourist homes and rooming houses are not taxable. Likewise, purchases of items to be resold to customers of such businesses are exempt from the sales tax as purchases for resale.

Example:

Bob and Mary Jones own a condominium near a West Virginia ski resort. During the tourist season, they regularly rent the condominium by the day, weekend or week to skiers. Although the Jones's may not consider themselves to be engaged in business, they must register with the Tax Department and obtain a business registration certificate, unless they meet the criteria for exemption. They must also collect sales tax on charges they collect for lodging or for sales of other taxable services or tangible personal property.

Bob and Mary Jones must pay sales or use tax on all of their purchases of tangible personal property or taxable services for use or consumption in the conduct of this business. This includes, but is not limited to, paying sales or use tax on real estate management fees, furniture purchased to furnish rooms, linens, cleaning services and repair and maintenance services purchased to maintain the real property. However, purchases of complimentary items such as shampoos, bath soaps, coffee and newspapers which are given to guests are not subject to the consumer sales or use tax.

Taxpayer Service Representatives are available between 8:00 a.m. and 5:00 p.m. on business days:

1-800-WVA-TAXS (1-800-982-8297)

TDD (hearing impaired) 1-800-282-9833

Internet: www.wvtax.gov